

BILL ANALYSIS

Senate Research Center

H.B. 1083
By: Thompson (Brown, J. E. "Buster")
Jurisprudence
5/22/2001
Enrolled

DIGEST AND PURPOSE

Property owners will frequently grant a power of attorney to a spouse, another family member, or a third party. If a property owner files for bankruptcy the power of attorney is subsequently challenged. H.B. 1083 clarifies the statute to provide that a bankruptcy petition does not void a durable power of attorney, but stays its use until the bankruptcy is resolved.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter XII, Texas Probate Code, by adding Section 487A, as follows:

Sec. 487A. EFFECT OF BANKRUPTCY PROCEEDING. Provides that after execution of a durable power of attorney, the filing of a voluntary or involuntary petition in bankruptcy in connection with the principal's debts does not revoke or terminate the agency as to the principal's attorney in fact or agent. Provides that any act the attorney in fact or agent may undertake with respect to the principal's property is subject to the limitations and requirements of the United States Bankruptcy Code until a final determination is made in the bankruptcy proceeding.

SECTION 2. Effective date: September 1, 2001.